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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11
LEHMAN BROTHERS HOLDINGS, INC., et al. : Case No. 08-13555 (JMP)
Debtors. : (Jointly Administered)

**RESERVATION OF RIGHTS OF 605 THIRD AVENUE FEE LLC
RESPECTING MOTION TO APPROVE THE SALE AND THE ASSUMPTION AND
ASSIGNMENT OF CERTAIN CONTRACTS RELATED TO THE SALE OF THE
NEUBERGER BERMAN INVESTMENT MANAGEMENT DIVISION**

NOW COMES 605 Third Avenue Fee LLC (“605 Third Avenue”), successor in interest to Fisher 40th and 3rd Company, by and through its undersigned counsel, respectfully states as follows:¹

BACKGROUND

1. On or about September 15, 2008, Lehman Brothers Holdings, Inc., followed thereafter by certain of its subsidiaries (collectively, the “Debtors”), commenced voluntary

¹ 605 Third Avenue files this Reservation of Rights respecting a matter involving a non-Debtor solely to preserve its right to possibly subsequently object to certain actions in these proceedings, as is expressly provided herein. Accordingly, this Reservation of Rights shall not constitute nor shall be deemed to otherwise constitute the consent of 605 Third Avenue to the jurisdiction of this Court respecting Debtors’ cases or a waiver of any other similar such rights by 605 Third Avenue.

Chapter 11 cases in this Court under chapter 11 of title 11, United States Code (the “Bankruptcy Code”).

2. On or about October 6, 2008, the Debtors filed a motion seeking, in part, authority to: (i) sell certain of their assets and (ii) assume and assign certain of their contracts, comprising the Debtors’ Investment Management Division (the “IMD”), to Bain/Hellman & Friedman or such other higher and better purchaser as may be approved by this Court.

3. On or about October 22, 2008, this Court issued an Order (the October 22nd Order”), which, in part, approves certain bidding procedures respecting the sale of the IMD and sets December 17, 2008, as the deadline for the filing of objections to: (i) the sale of the IMD and (ii) the assumption, assignment and cure of the “Designated Contracts.”² The October 22nd Order also provides that if Bain/Hellman & Friedman is not the Successful Bidder at the Auction, then the Debtors are to send an Assumption, Assignment and Cure Notice to each non-Debtor party to a Purchased Contract as soon as practical after the Auction. In such case, the Contract Objection Deadline would be no earlier than ten days after the Assumption, Assignment and Cure Notice is provided.

4. On or about December 9, 2008, the Debtors’ filed the Notice of Filing of Successful Bid in Connection with Sale of Lehman Brothers Inc.’s Investment Management Division (the “December 9th Notice”). The December 9th Notice attaches a copy of the Unit Purchase Agreement, by and between Lehman Brothers Holdings Inc. and NBSH Acquisition, LLC, dated as of December 1, 2008 (the “IMD Contract”).

5. Schedule 1.1(j) of the IMD Contract, being a schedule of “Transferred Real Property Leases” (as such term is defined in the IMD Contract), includes the Agreement of Lease

for 605 Third Avenue, New York, New York, between Fisher 40th & 3rd Company, as Landlord and Neuberger & Berman, as Tenant, dated April 2, 1991 (the "605 Third Avenue Lease"). As noted above, 605 Third Avenue Fee LLC is successor to Fisher 40th & 3rd Company and Neuberger Berman LLC is successor to Neuberger & Berman.

6. Debtors' counsel has advised the undersigned that notwithstanding the inclusion of the 605 Third Avenue Lease on Schedule 1.1(j) of the IMD Contract, Neuberger Berman LLC is not currently a Debtor and that the shares of Neuberger Berman LLC, together with other equity interests, are to be sold, transferred and assigned to the "Company" (as such term is defined in the IMD Contract). Accordingly, the 605 Third Avenue Lease, constituting an asset of Neuberger Berman LLC, will not be transferred to the Company separate and apart from the shares of Neuberger Berman LLC.

7. Such explanation is consistent with Article 2.1 of the IMD Contract which provides, in part:

At Closing, (a) LBHI shall, and shall cause its subsidiaries to, sell, transfer and assign to the Company, pursuant to the Sale Order, (i) all of the outstanding equity interests of each Business Entity, in each case free and clear of all Liens, and (ii) subject to Section 7.16, all of LBHI's or such Subsidiary's right, title and interest in any Purchased Asset that was not directly or indirectly transferred to the Company pursuant to the preceding clause (i), in each case free and clear of all Liens other than Permitted Exceptions and (b) . . . (as capitalized terms are defined in the IMD Contract)(emphasis added).

8. Neuberger Berman LLC is listed on Schedule I to the IMD Contract as one of the Business Entities referred to in Article 2.1 of the IMD Contract noted above. Moreover, 605

(...continued)

² Capitalized terms not otherwise defined herein are as defined in the October 22nd Order.

Third Avenue has not received, nor is 605 Third Avenue aware of, an Assumption, Assignment and Cure Notice respecting the 605 Third Avenue Lease.

9. Accordingly, any issues respecting the 605 Third Avenue Lease by and between 605 Third Avenue, as landlord, on one hand, and, Neuberger Berman LLC, as tenant, on the other hand, are matters entirely between non-Debtors with no basis of jurisdiction in this Court.

10. However, to the extent that: (i) Neuberger Berman LLC hereafter becomes a Debtor, (ii) 605 Third Avenue receives an Assumption, Assignment and Cure Notice respecting the 605 Third Avenue Lease and/or (iii) the Debtors otherwise move to assume and/or assign the 605 Third Avenue Lease, including pursuant to section 365 of the Bankruptcy Code, 605 Third Avenue hereby reserves its right to object to the sale of the IMD and/or the assumption and/or assignment of the 605 Third Avenue Lease in these proceedings and to seek such other or further relief as is just and proper in the circumstances.

Dated: New York, New York
December 17, 2008

By: /s/ Thomas L. Kent
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Attorneys for 605 Third Avenue Fee LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of December, 2008, I caused the Reservation of Rights of 605 Third Avenue Fee LLC Respecting Motion to Approve the Sale and the Assumption and Assignment of Certain Contracts Related to the Sale of the Neuberger Berman Investment Management Division to be served upon each of the following parties in the manner so indicated:

The Honorable James M. Peck
United States Bankruptcy Court
One Bowling Green
New York, New York 10004

via Hand Delivery

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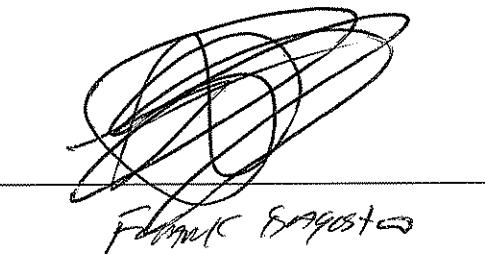
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Dated: December 17, 2008



A handwritten signature in black ink, appearing to read "Frank Sargent", is written over a horizontal line. The signature is somewhat stylized and overlapping.